



41 CFR parts 300-3, 301-10, 301-51, and 302-16

**[FTR Case 2020-301-1; Docket No. GSA-FTR-2021-0017,
Sequence No. 2]**

RIN 3090-AK45

**Federal Travel Regulation; Rental Car Policy Updates and
Clarifications**

AGENCY: Office of Government-wide Policy (OGP), General
Services Administration (GSA).

ACTION: Final rule.

SUMMARY: This final rule clarifies that agencies may
reimburse relocating employees rental car fees when their
privately owned vehicle (POV) suffers a shipping delay when
arriving at or returning from a foreign or non-foreign area
outside the continental United States (OCONUS). The rule
also defines the terms: OCONUS and fuel. It also clarifies
when collision damage waiver(s) and theft insurance are
reimbursable during car rentals.

DATES: Effective **[INSERT DATE 30 DAYS AFTER DATE OF
PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Mr. Ed Davis, Program
Analyst, Office of Government-wide Policy, at 202-669-1653
or travelpolicy@gsa.gov for clarification of content. For
information pertaining to status or publication schedules,
contact the Regulatory Secretariat Division at 202-501-4755
or GSARegSec@gsa.gov. Please cite "FTR Case 2020-301-1."

SUPPLEMENTARY INFORMATION:

I. Background

GSA published a proposed rule at 86 FR 50863 on September 13, 2021, to provide clarifications to rental car use policies and definitions.

Agencies are authorized to provide eligible employees a miscellaneous expenses allowance (MEA) to defray some of the costs incurred while relocating. A non-exhaustive list of examples of MEAs can be found at FTR §302-16.2. While not specifically mentioned as an example of an MEA, agencies are allowed to provide reimbursement for relocating employees for rental car use while awaiting arrival of their privately owned vehicle (POV) due to shipment delay from or to OCONUS. The lack of specific mention of this type of miscellaneous expense in the FTR has caused agency confusion surrounding its authorization for reimbursement.

The reimbursement of the cost of collision damage waiver (CDW) or theft insurance when renting a vehicle for official travel was not allowed (FTR §301-10.451(b)). Employees required to travel OCONUS could be reimbursed for the cost of CDW or theft insurance, but not both.

This was done in error when transliterating the FTR into plain language. It is only relevant to a few rentals in foreign areas where both types of insurance are required by law.

The definition of types of vehicular power sources needed updating to replace "gas" and "gasoline" with the term "fuel," and further defines fuel to account for other types of vehicular power sources, such as hydrogen, propane, and electricity.

II. Discussion and Analysis

GSA reviewed the public comments in discussion of the final rule. A discussion of the comments and changes made to the rule as a result of those comments are provided as follow:

A. Summary of Changes

This final rule makes the following changes from the proposed rule:

- Updates the list of MEA examples in FTR §302-16.2 to explicitly include discretionary rental car reimbursement due to OCONUS shipping delays and adds the caveat that such expense may only be authorized for up to 10 days. The 10 days exclude reimbursement for the days after a POV is delivered or a new POV is purchased at the location. Adds a new paragraph (f) under FTR §301-10.450 to clarify that a rental car is to be used for official purposes only and provides examples.

- Updates FTR § 301-10.451 (b) to reflect that collision damage waiver (CDW) and theft insurance may be reimbursed when deemed necessary.

- Clarifies the definition of OCONUS and adds it to the glossary of terms. OCONUS consists of foreign areas and non-foreign areas (unless otherwise qualified as "non-foreign OCONUS" or "foreign OCONUS.")

- Removes "Trust Territories of the Pacific Islands" from the definitions of "Foreign area" and "Non-foreign area." The Trust Territories of the Pacific Islands no longer exist.

- Removes the terms "gas" and "gasoline", where appropriate, and replaces it with the term "fuel", and further defines fuel to account for other types of vehicle power sources, such as hydrogen, propane, and electricity.

B. Analysis of public comments

GSA received comments from six commenters through the public comment process.

1. One commenter suggested that GSA clarify that a POV must actually be shipped to claim rental expenses under the MEA and that shipment applies to both foreign area OCONUS and non-foreign area OCONUS. GSA modified the language in FTR part 302-16 to emphasize that a POV must be shipped

and clarified that the allowance applies to both foreign area OCONUS and non-foreign area OCONUS.

2. One commenter stated that an employee should get reimbursed for a rental car as well as fuel. The FTR currently permits reimbursement for authorized use of a rental car under FTR 301-2.5(g). Fuel for rental vehicles is also an allowable transportation expense when incurred while on temporary duty travel.
3. One commenter expressed general support for the rule and another commenter expressed support specifically for replacing the words "gasoline" and "gas" with the term "fuel", where appropriate. GSA concurs.
4. One commenter had four suggestions: Amend the FTR to (1) allow employees to rent larger vehicles if needed for family size or larger amounts of cargo, (2) allow for use of a Government vehicle by authorized dependents, (3) include purchase of a POV as a reason to end rental car reimbursement, and (4) increase the size of the MEA or exclude rental car fees from the MEA expense limit. In response, GSA notes that: (1) the FTR currently allows agencies to authorize use of a larger class of rental vehicle when certain exceptions are met under FTR §301-10.450,

(2) the commenter's suggested change to the Government vehicle regulations is outside the scope of this rule and will not be implemented, (3) GSA concurs with the suggestion and has made conforming changes to the rule in FTR §302-16.2, and (4) MEA limitations regarding basic pay are done under the authority of 5 USC 5738 and cannot be changed without further regulatory amendment. No changes to the rule will be made based on this suggestion.

5. One commenter wanted clarification that employees returning from an OCONUS location would also be allowed a rental car reimbursement when their OCONUS shipments are delayed. GSA concurs that this was the intent of the change and the language in FTR part 302-16 has been clarified accordingly. The commenter also asked a procedural question unrelated to the regulation change, and which is answered in existing regulations.

II. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health

and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. OIRA has determined that this is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993.

III. Congressional Review Act

This rule is not a major rule under 5 U.S.C. 804(2). Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (codified at 5 U.S.C. 801-808), also known as the Congressional Review Act or CRA, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. OIRA has determined that this final rule is not a "major rule" as defined by 5 U.S.C. 804(2).

IV. Regulatory Flexibility Act

This final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. This final rule is also exempt from the Administrative Procedure Act pursuant to 5 U.S.C. 553(a)(2) because it

applies to agency management or personnel. Therefore, an Initial Regulatory Flexibility Analysis was not performed.

V. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FTR do not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, et seq.

List of Subjects

41 CFR Parts 300-3, 301-10, 301-51, and 302-16

Government employees, Travel and transportation expenses.

Robin Carnahan,
Administrator of General Services.

For the reasons set forth in the preamble, GSA is amending 41 CFR parts 300-3, 301-10, 301-51, and 302-16 as set forth below:

PART 300-3—GLOSSARY OF TERMS

1. The authority citation for part 300-3 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 121(c); 49 U.S.C. 40118; 5 U.S.C. 5738; 5 U.S.C. 5741-5742; 20 U.S.C. 905(a); 31 U.S.C. 1353; E.O. 11609, as amended; 3 CFR 1971-1975 Comp., p. 586, Office of Management and Budget Circular No. A-126, revised May 22, 1992.

2. Amend §300-3.1 by:

- a. Removing the definition of "Foreign area";
- b. Adding, in alphabetical order, the definition of "Fuel";
- c. Removing the definition of "Non-foreign area"; and
- d. Adding, in alphabetical order, the definition of "Outside the Continental United States".

The additions read as follows:

§300-3.1 What do the following terms mean?

* * * * *

Fuel- The energy source needed to power a vehicle. Examples include, but are not limited to, petroleum, hydrogen, propane, and electricity.

* * * * *

Outside the Continental United States (OCONUS) - Any area beyond the 48 contiguous States and the District of Columbia, i.e., CONUS. OCONUS is further divided into foreign areas and non-foreign areas:

(1) Foreign area - Any area situated beyond both the CONUS and the non-foreign areas.

(2) Non-foreign area - The states of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, Guam, the U.S. Virgin Islands, and the territories and possessions of the United States.

PART 301-10-TRANSPORTATION EXPENSES

3. The authority citation for part 301-10 continues to read as follows:

Authority: 5 U.S.C. 5707, 40 U.S.C. 121(c); 49 U.S.C. 40118; Office of Management and Budget Circular No. A-126, "Improving the Management and Use of Government Aircraft." Revised May 22, 1992.

§301-10.304

4. Revise the table in §301-10.304 to read as follows:

§ 301-10.304 What expenses are allowable in addition to the POV mileage rate allowances?

* * * * *

Reimbursable expenses in addition to mileage allowance	Non-reimbursable expenses included in the mileage allowance
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Parking fees; ferry fees; bridge, road, and tunnel fees; and aircraft or airplane parking, landing, and tie-down fees.	Charges for repairs, depreciation, replacements, grease, oil, antifreeze, towage and similar speculative expenses, fuel, insurance, state and Federal taxes.
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§301-10.401 [Amended]

5. Amend §301-10.401 by removing from paragraph (a) the word "Gasoline" and adding "Fuel" in its place.

6. Amend §301-10.450 by adding paragraph (f) to read as follows:

§301-10.450 What are the policies when authorized to rent a vehicle for official travel?

* * * * *

(f) A rental car is to be used only for official purposes, which include transportation:

- (1) Between places of official business;
- (2) Between such places and places of temporary lodging when public transportation is unavailable or its use is impractical; or
- (3) Between either subparagraph (1) or (2) of this paragraph and restaurants, drug stores, barber shops, places of worship, cleaning establishments, and similar places necessary for the sustenance, comfort, or health of the employee to foster the continued efficient performance of Government business.

§301-10.451

7. Amend §301-10.451 by revising paragraph (b) to read as follows:

§301-10.451 May I be reimbursed for the cost of collision damage waiver (CDW) or theft insurance?

* * * * *

(b) *Exception.* You will be reimbursed for CDW or theft insurance, or both, when you travel OCONUS and such insurance is necessary because the rental or leasing agency requirements, foreign statute, or legal procedures could cause extreme difficulty for an employee involved in an accident.

PART 301-51-PAYING TRAVEL EXPENSES

8. The authority citation for part 301-51 continues to read as follows:

Authority: 5 U.S.C. 5707. Subpart A is issued under the authority of Sec. 2, Pub. L. 105-264, 112 Stat 2350 (5 U.S.C. 5701 note); 40 U.S.C. 121(c).

§301-51.200 [Amended]

9. In §301-51.200 amend paragraph (a)(3) by removing the word "Gasoline" and adding "Fuel" in its place.

PART 302-16-Allowance for Miscellaneous Expenses

10. The authority citation for part 302-16 continues to read as follows:

Authority: 5 U.S.C. 5738; 20 U.S.C. 905(a); E.O. 11609, as amended, 3 CFR 1971-1975 Comp., p. 586.

11. Amend §302-16.2 by

a. Revising paragraph (a) and

b. In paragraph (b) adding a row to the end of the table.

The additions read as follows:

§302-16.2 What are miscellaneous expenses?

* * * * *

(a) Costs associated with relocating that are not covered by other relocation benefits detailed in chapter 302, but are covered by the MEA.

(b) * * *

General Expenses	Fees/deposits	Losses
	* * * * *	
Rental Car	Rental car fees while awaiting a delayed POV shipment to/from OCONUS. Reimbursement shall not exceed 10 days and does not include the days after the POV is delivered or a new POV is purchased at location.	